



Director's Rule 3-2003

Applicant: City of Seattle Department of Design, Construction and Land Use	Page 1 of 2	Supersedes: DR 7-2001
	Publication: 2/27/03	Effective: 4/1/03
Subject: Adjustment to Amount of Relocation Assistance Payment under the Tenant Relocation Assistance Ordinance	Code and Section Reference: SMC 22.210.130A	
	Type of Rule: Code Interpretation	
	Ordinance Authority: SMC 3.06.040	
Index: Tenant Relocation Assistance Ordinance SMC 22.210	Approved	Date
	(signature on file) Diane M. Sugimura, Director	3/23/03

PURPOSE

The purpose of this rule is to implement the annual adjustment of the amount of relocation assistance, as provided for in SMC 22.210.130A, by the percentage amount of change in the housing component of the Consumer Price Index as published by the United States Department of Labor, Bureau of Labor Statistics.

BACKGROUND

The Tenant Relocation Assistance Ordinance, Seattle Municipal Code 22.210 et seq., provides for advance notice to all tenants who will be displaced by demolition, substantial rehabilitation, change of use, or removal of use restrictions from housing units, and for the payment of relocation assistance to eligible low-income tenants. The ordinance took effect on July 2, 1990.

Subsection A of SMC Section 22.210.130, "Relocation Assistance Payments," provides as follows:

...The amount of relocation assistance shall be adjusted annually by the percentage amount of change in the housing component of the Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics. Such adjustments shall be published in a Director's rule.

The amount of relocation assistance to be paid to low income tenants was originally established at \$2000 in 1990. This amount was first adjusted in 1992, increasing the amount from \$2,000.00 to \$2,142.00. In 1994, the Seattle City Council suspended the owner-payment requirement retroactively effective to June 22, 1993, and amended the amount of relocation assistance to be paid by the City to \$1,071.00. In 1998, Ordinance 119271 increased the total amount of relocation assistance to \$2,000.00.

The amount of relocations assistance was last adjusted in 2001 by Director's Rule 7-2001. The total amount to be paid was increased from \$2000.00 to \$2132.00.

This rule is necessary to comply with the requirement to adjust the amount of relocation assistance payments.

METHODOLOGY

The Bureau of Labor Statistics publishes two consumer price indices, one for all urban consumers (CPI-U) and one for urban wage earners and clerical workers (CPI-W). The index for all urban consumers was selected for the purpose of adjusting the amount of relocation assistance, because it covers a much broader segment of the population, eighty percent (80%) versus thirty-two percent (32%). In addition to wage earners and clerical workers, the CPI-U includes groups such as managerial, professional and technical workers, self-employed and short-term workers, unemployed persons, and retirees and others not in the labor force.

The housing component of the CPI-U for all U.S. cities changed by 2.9 percent from 2000 to 2001, and by 2.4 percent from 2001 to 2002. The total cumulative percent change in the housing component is 5.3 percent. Adjusting the amount of relocation assistance by 2.9 percent yields the amount of \$2,193.83, and adjusting that amount by 2.4 percent results in the amount of \$2,246.48; rounding to the nearest dollar produces a figure of \$2,246.00.

RULE

The amount of relocation assistance required by subsection A of SMC 22.210.130 shall be \$2,246.00. This amount shall apply to all Tenant Relocation License applications that are submitted on or after April 1, 2003.